



## California Energy Commission – Tracking Progress

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### The California Clean Energy Jobs Act: Proposition 39

The California Clean Energy Jobs Act (Proposition 39) provides funding for planning and installing eligible energy measures, such as energy efficiency upgrades and clean energy generation at schools. The initiative changed California's corporate income tax code and allocates projected revenue to the General Fund and the Clean Energy Job Creation Fund for five fiscal years, beginning with fiscal year 2013/2014.

Following the passage of Proposition 39, the State Legislature enacted Senate Bill 73 (Committee on Budget and Fiscal Review, Chapter 29, Statutes of 2013), designating the California Energy Commission as the lead agency for implementing Proposition 39 in consultation with the California Department of Education, California Community Colleges Chancellor's Office, California Public Utilities Commission, California Workforce Development Board, the Division of the State Architect, the California Department of Industrial Relations, and the California Conservation Corps. Though the Energy Commission is designated as the lead for implementing Proposition 39, the Energy Commission, California Conservation Corps (CCC), California Workforce Development Board, and the California Community Colleges Chancellor's Office each administer stand-alone but complementary programs funded by the Clean Energy Job Creation Fund established by Proposition 39.

The Energy Commission is primarily responsible for administering the Proposition 39 Kindergarten through Grade 12 Program (K-12 Program) and accepts, reviews, and approves K-12 Program Energy Expenditure Plans (applications for Proposition 39 funding) to implement cost-effective energy efficiency and clean energy generation projects. The Energy Commission was appropriated funding by the Legislature from the Clean Energy Job Creation Fund to enhance its energy efficiency loan program for K-12 school districts, charter schools, state special schools and county offices of education. This appropriation also allowed for additional funding of the Bright Schools Program, which offers energy project planning services for K-12 public school districts, charter schools, state special schools, county Offices of Education, and community colleges. Complementing the K-12 Program and the Commission's energy efficiency loan and Bright Schools Programs, CCC administers the Energy Corps Proposition 39 Program. This program provides K-12 schools with additional energy project planning services. The CCC also provides on-the-job-training to corpsmembers while offering low cost project implementation services.

To ensure that a qualified and trained workforce is available to install energy efficient technologies and clean energy generation projects at schools, the California Workforce Development Board (CWDB) implements the Proposition 39 pre-apprenticeship program. This program provides grants to local workforce development agencies to implement targeted training programs to assist disadvantaged youth, veterans, and others for employment in clean energy fields. Lastly, the California Community Colleges Chancellor's Office is responsible for administering the Proposition 39 community college district program, providing funding to



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community colleges to scope, plan, and implement energy efficiency and clean energy generation projects.

The following sections focus explicitly on the Proposition 39 K-12 Program given the Energy Commission's role as the primary administrator of this program. The final section provides information about the Proposition 39 Citizens Oversight Board, which reviews all Clean Energy Job Creation Fund expenditures via an annual independent audit of the fund and selected projects.

### ***Proposition 39 (Clean Energy Job Creation Fund) Allocation***

Annual appropriations for the initial five-year period, 2013–2018, are based on actual tax revenue generated from the initiative change in the corporate income tax code.

**Table 1** shows the Proposition 39 revenue appropriations from Clean Energy Job Creation Fund that includes the Energy Commission's Proposition 39 K-12 program and the other programs funded by The Clean Energy Job Creation Fund.



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**Table 1: Appropriation of Proposition 39 (Clean Energy Job Creation Fund) Funding**

Program Administrator	Fiscal Year 2013/14 (millions)	Fiscal Year 2014/15 (millions)	Fiscal Year 2015/16 (millions)	Fiscal Year 2016/17 (millions)
<b>California Energy Commission/ California Department of Education (CDE)</b> K-12 Program ( <i>Amounts received by LEAs vary based on a formula of average daily attendance and the number of students eligible to receive free and reduced-priced meals in the school year.</i> ) CDE disperses funding; Energy Commission implements the program and approves funding requests.	\$381	\$279	\$313	\$399
<b>California Community College Chancellor's Office</b> Community College District Program For energy efficiency and clean energy generation projects.	\$47	\$39	\$39	\$49
<b>California Energy Commission</b> Energy Conservation Assistance Act - Education Subaccount ( <i>No interest revolving loan program for K-12 schools and community college districts.</i> )	\$25	\$25	\$0	\$0
Bright Schools Program ( <i>Energy audits and technical assistance for K-12 schools.</i> )	\$3	\$3	\$0	\$0
<b>California Workforce Development Board</b> Develop and implement a competitive grant program for eligible workforce training organizations to prepare disadvantaged youth, veterans, and others for employment in clean energy fields.	\$3	\$3	\$3	\$3
<b>California Conservation Corps</b> Provide energy project planning services.	\$5	\$5	\$5	\$6
<b>TOTALS</b>	<b>\$464</b>	<b>\$354</b>	<b>\$360</b>	<b>\$457</b>

Source: California Energy Commission staff

### Proposition 39 K-12 Program Features

The Energy Commission is responsible for administering the Proposition 39 K-12 Program, also known as the Local Educational Agency (LEA) program, which includes K-12 public school districts, charter schools, county offices of education, and state special schools. LEAs submit Energy Expenditure Plans with proposed eligible energy measures to the Energy Commission



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for review and approval. Upon approval, the Energy Commission notifies the California Department of Education (CDE) to disburse the allotted Proposition 39 K-12 Program funds to finance approved projects.

For fiscal year 2015/2016, CDE reported 2,136 eligible LEAs ranging from a classroom with fewer than 10 students to a public school district with nearly 650,000 students. The funding disbursed by CDE is guaranteed for the five-year period and has a fiscal year rollover feature through June 30, 2018. LEAs must encumber the funding by June 30, 2018. LEAs have two additional years, until June 30, 2020, to complete implementation of their approved energy plans, and another year to report final project completion, that is, by June 30, 2021.

The Proposition 39 K-12 Program was designed to offer schools flexibility when planning and implementing their projects. This includes allowing LEAs to:

- ☐ Apply for single or multiyear Energy Expenditure Plans.
- ☐ Retroactively fund measures.
- ☐ Accumulate Proposition 39 funds over five years to fund a larger Energy Expenditure Plan project with more energy efficiency measures across more school sites, and
- ☐ Amend approved Energy Expenditure Plans to address changes and take advantage of program updates.

To encourage statewide energy savings in schools, the Proposition 39 K-12 Program funds eligible energy measures, which include:

- ☐ Lighting and lighting control systems.
- ☐ HVAC, such as new chillers, boilers, and furnaces.
- ☐ Pumps, motors, and variable frequency drives.
- ☐ Energy management systems, programmable/smart thermostats, and chiller controls.
- ☐ Plug-load equipment, such as power management and vending machine misers.
- ☐ Building envelope energy-saving measures.
- ☐ Transformers.
- ☐ On-site clean energy generation, such as solar photovoltaic.

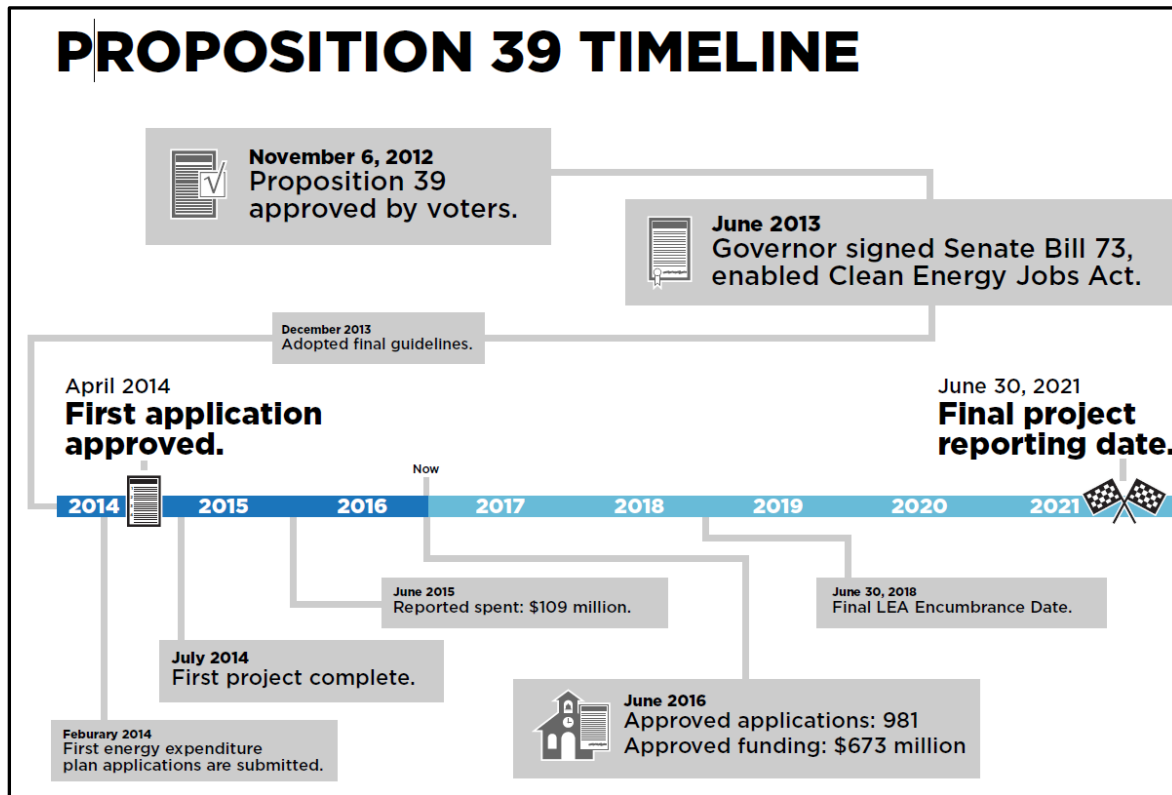
The Proposition 39 K-12 Program began quickly, just six months after Governor Edmund G. Brown Jr. signed Senate Bill 73 (June 2013), with the first Energy Expenditure Plan applications flowing to the Energy Commission in February 2014. Some LEAs completed approved projects as early as July 2014, achieving energy savings from their Proposition 39-funded energy investments within months of the program launch.

**Figure 1** illustrates the Proposition 39 K-12 Program timeline from voter approval of Proposition 39 in November 2012, to LEA final project completion reports due by June 2021.



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Figure 1: Proposition 39 Local Educational Agency Program Timeline



Source: California Energy Commission staff

### *Proposition 39 K-12 Program: How to Apply*

LEAs apply for Proposition 39 K-12 funding by submitting an Energy Expenditure Plan to the Energy Commission. An online suite of tools and a toll-free hotline are available to help applicants evaluate energy needs, develop and submit Energy Expenditure Plans (applications) to the Energy Commission, and implement eligible energy measures. The Proposition 39 K-12 Program web page includes key information to help LEAs complete an Energy Expenditure Plan. The web page also includes frequently asked questions and a handbook that explains how LEAs are to complete and submit their respective Energy Expenditure Plans.

### *Proposition 39 K-12 Program Accomplishments: Program Development*

The Energy Commission has fine-tuned the program, adopting the first revisions, which made adjustments for charter schools, to the **Proposition 39: California Clean Energy Jobs Act - 2013 Program Implementation Guidelines** in June 2014. Additional enhancements were made in June 2014, December 2014, and July 2016 with the approval of substantive changes to the *Guidelines*. In late 2015, the Energy Commission developed and deployed a reporting module to the application system that allowed LEAs to submit the required Annual Progress



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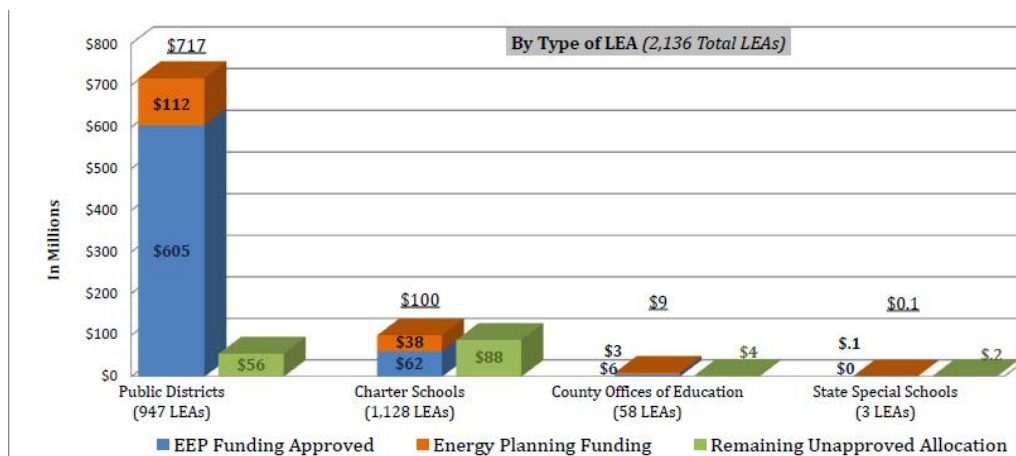
Reports and Final Completed Project Reports online. LEAs began reporting in November 2015 and will report each year through the end of the program.

### *Proposition 39 K-12 Program Accomplishments: Energy Expenditure Plan Applications*

Since the first Energy Expenditure Plans were received in February 2014, more than 981 plans have been approved, totaling \$673 million in requested funding (as of June 30, 2016). More than three-fourths of LEAs (1,646) requested energy planning funds totaling \$154 million.

**Figure 2** summarizes the total funding distributed by LEA type, including funding that is approved, but not yet allocated.

**Figure 2: Funding Distributed by LEA (as of June 30, 2016)**



Source: California Energy Commission staff

**Table 2** summarizes the estimated annual energy savings reported by LEAs on approved Energy Expenditure Plans.

**Table 2: Estimated Annual Energy Savings from Approved Energy Expenditure Plans (as of June 30, 2016)**

Electricity Savings (kWh)	251,525,783
Natural Gas Savings (therms)	1,607,127
Propane Savings (gallons)	78,023
Fuel Oil Savings (gallons)	67,046

Source: California Energy Commission staff



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**Table 3** summarizes the estimated annual energy cost savings and greenhouse gas emission reductions reported on approved Energy Expenditure Plans, based on data from **Table 2**.

**Table 3: Estimated Annual Cost Savings and Greenhouse Gas Emission Reductions From Approved Energy Expenditure Plans (as of June 30, 2016)**

Estimated Annual Energy Cost Savings	\$46,473,589
Estimated Annual Greenhouse Gas Emission Reductions (pounds of carbon dioxide emissions)	192,275,820

Source: California Energy Commission staff

*Note:* The results shown are calculated from data provided in Table 1 and assume 690 pounds carbon dioxide equivalent (lbsCO<sub>2</sub>e) per megawatt-hour and 11.65 lbsCO<sub>2</sub> per therm. The estimate of annual greenhouse gas reductions does not include emission reductions from decreased use of propane and fuel.

As of June 6, 2016, measures approved through Energy Expenditure Plans estimate 3,230 job-years (a job-year represents one job for one year).<sup>1</sup> This estimate is based on data self-reported by funding recipients. This represents projected job-years when all of the approved measures are completed and final. This does not represent the jobs actually created. Under the Proposition 39 K-12 Program, the CWDB is charged with collecting final jobs data after an LEA's measures are completed.

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<sup>1</sup> A job-year is defined as a full-time job that lasts for one year—not one permanent job. A review of studies on labor intensity of energy efficiency projects indicates that on average 5.6 direct job-years are created per \$1 million invested for energy efficiency retrofits. A review of two studies on solar photovoltaic labor intensity indicates that, on average, 4.2 direct job-years are created per \$1 million invested for solar energy generation system installation. See Zabin and Scott, *Proposition 39: Jobs and Training for California's Workforce*, p. 11. [http://www.irle.berkeley.edu/vial/publications/prop39\\_jobs\\_training.pdf](http://www.irle.berkeley.edu/vial/publications/prop39_jobs_training.pdf).



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**Table 4** summarizes the energy measures that have been requested through approved Energy Expenditure Plans. These energy measure categories encompass the proposed energy measures LEAs have applied for in their Energy Expenditure Plans.

**Table 4: Energy Expenditure Plan Measures Approved by Category**  
(as of June 30, 2016)

Energy Measure Category	Total Number of Measures Approved	Percentage of Total Measures Approved	Total Project Cost of Measures Approved (in millions)	Percentage of Total Project Cost of Measures Approved
Lighting	6092	48	\$274	35
Lighting Controls	1426	11	\$21	3
HVAC	2047	16	\$308	40
HVAC Controls	1336	11	\$52	7
Plug Loads	763	6	\$2	<1
Generation (PV)	297	2	\$84	11
Pumps, Motors, Drives	285	2	\$9	1
Building Envelope	185	1	\$12	1
Domestic Hot Water	145	1	\$3	<1
Kitchen	62	<1	\$<1	<1
Energy Storage	39	<1	\$4	<1
Power Purchase Agreements (PPA)	18	<1	\$2	<1
Electrical	14	<1	\$6	1
Pool	7	<1	\$<1	<1
Irrigation	3	<1	\$<1	<1
<b>TOTALS:</b>	<b>12,719</b>	<b>100</b>	<b>\$777*</b>	<b>100</b>

Source: California Energy Commission staff

\*Note: The total project cost includes Proposition 39 funding plus LEA leveraged funding contributed to the energy measure.

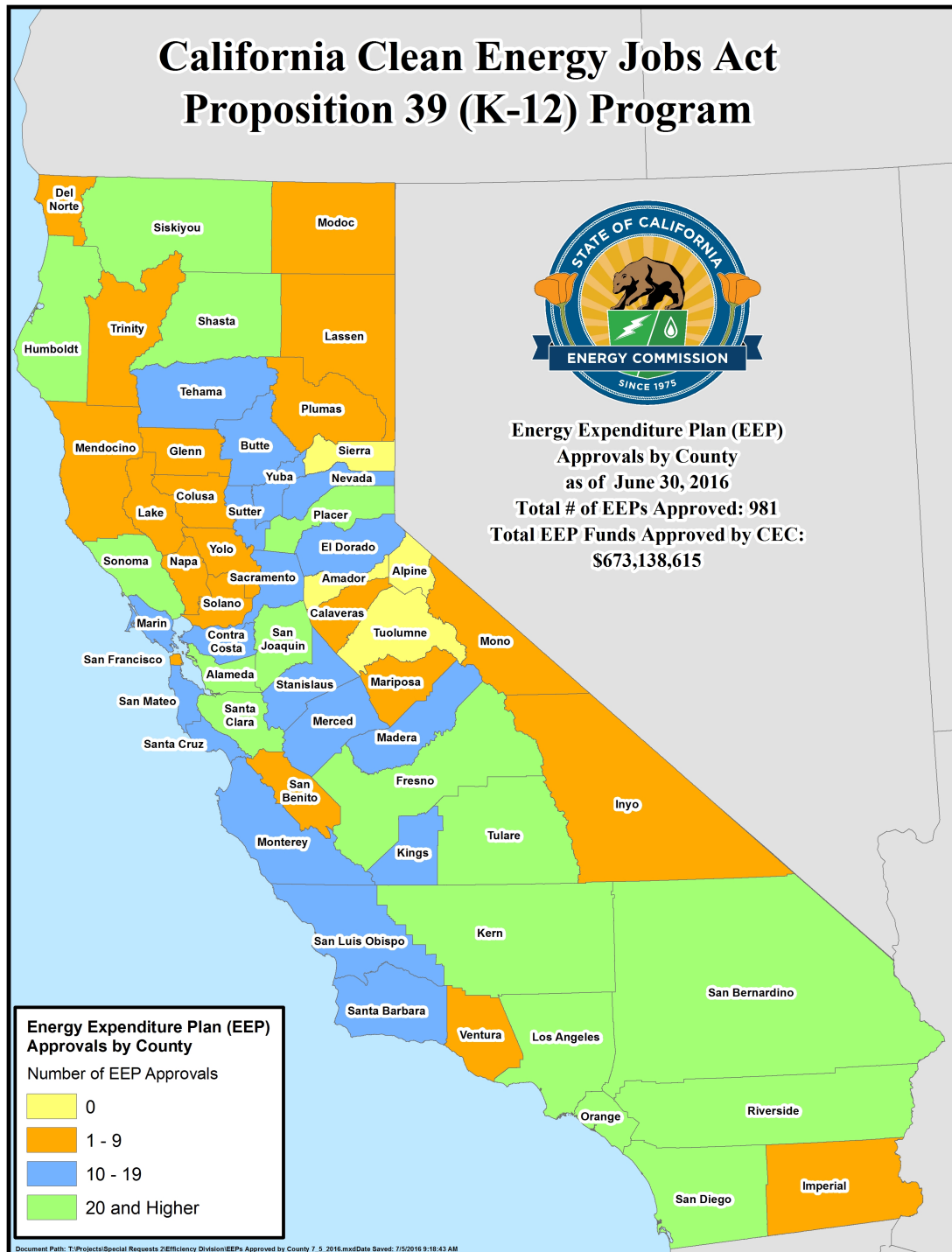




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Figure 3 shows counties with approved Energy Expenditure Plans.

Figure 3: Approved Energy Expenditure Plans by County (as of June 30, 2016)





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Source: California Energy Commission staff

**Table 5** shows counties with approved Energy Expenditure Plans, indicating the total number of Energy Expenditure Plans and total funding approved for LEAs in each county.

**Table 5: Approved Energy Expenditure Plans by County (as of June 30, 2016)**

County	Total # of LEAs in County	Total Number EEP Approvals	EEP Funding Amount Approved	County	Total # of LEAs in County	Total Number EEP Approvals	EEP Funding Amount Approved
Alameda	75	27	\$19,165,484	Orange	43	29	\$50,765,494
Alpine	2	0	\$0	Placer	37	22	\$9,613,393
Amador	3	0	\$0	Plumas	3	2	\$655,872
Butte	32	17	\$6,741,886	Riverside	49	33	\$60,674,324
Calaveras	6	3	\$1,129,959	Sacramento	60	18	\$11,148,659
Colusa	5	4	\$1,729,207	San Benito	13	6	\$2,300,701
Contra Costa	33	18	\$15,202,265	San Bernardino	72	30	\$43,882,350
Del Norte	4	3	\$987,495	San Diego	161	81	\$54,136,299
El Dorado	25	14	\$5,575,956	San Francisco	17	4	\$2,012,579
Fresno	60	35	\$24,295,802	San Joaquin	54	26	\$18,871,809
Glenn	13	7	\$1,877,847	San Luis Obispo	14	10	\$4,952,747
Humboldt	46	20	\$3,419,737	San Mateo	38	16	\$9,487,958
Imperial	20	7	\$6,015,056	Santa Barbara	29	17	\$12,054,297
Inyo	10	4	\$756,971	Santa Clara	93	48	\$30,952,095
Kern	59	32	\$20,189,389	Santa Cruz	24	12	\$4,113,954
Kings	20	12	\$4,087,480	Shasta	39	23	\$5,208,134
Lake	11	5	\$1,040,242	Sierra	2	0	\$0
Lassen	16	9	\$1,570,978	Siskiyou	27	21	\$2,517,250
Los Angeles	414	117	\$139,559,924	Solano	15	6	\$3,167,595
Madera	19	13	\$5,616,418	Sonoma	97	41	\$10,226,817
Marin	23	15	\$2,921,174	Stanislaus	50	19	\$8,523,500
Mariposa	3	2	\$606,790	Sutter	17	11	\$4,743,647
Mendocino	23	9	\$1,932,617	Tehama	17	12	\$2,456,555
Merced	23	15	\$7,538,346	Trinity	10	8	\$840,522
Modoc	4	3	\$302,023	Tulare	61	34	\$19,274,382
Mono	6	1	\$250,000	Tuolumne	16	0	\$0
Monterey	34	18	\$9,142,502	Ventura	34	9	\$6,842,415
Napa	9	4	\$3,897,406	Yolo	10	7	\$2,861,955
Nevada	24	12	\$2,032,910	Yuba	12	10	\$3,267,450

Source: California Energy Commission staff



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### ***Proposition 39 K-12 Program Accomplishments: Data Collection***

The K-12 Program provides a new level of data transparency for publicly-funded program information, with several ways to view detailed program information. Launched on June 30, 2016, the Proposition 39 Publicly Searchable Database is a simple to use, interactive database that provides quick searches for Proposition 39 K-12 and Community College District program metrics. The searchable database is located at <http://prop39publicsearch.energy.ca.gov/>.

Also available is the more complex K-12 Program Research Data providing individual clean energy project site information reported by LEAs and also includes the utility-reported school energy consumption and billing data for each school site within an LEA. The research data can be found at <http://www.energy.ca.gov/efficiency/proposition39/data/>.

Lastly, the K-12 program is also represented on the State of California's Climate Investment Map at <http://www.climateinvestmentmap.ca.gov/>. This map provides a statewide summary and can be searched by assembly district, senate district, address, or city to provide funding and estimated energy savings by school site.

### ***Proposition 39 K-12 Program Outreach and Education***

The Energy Commission has continuously provided extensive program communication, outreach and education through webinars, workshop, and conference presentations, press releases, blog posts, listserv announcements, direct phone calls, direct mail, and public meetings.

Through these efforts, barriers to program participation have been identified and are being addressed. As stated, the *Guidelines* have been revised three times; first in June 2014, again in December 2014, with a third revision in July 2016.

### ***Proposition 39 Citizens Oversight Board***

The Citizens Oversight Board consists of nine voting members and two ex-officio members. The State Controller, Treasurer, and Attorney General appoint three board members each. The Energy Commission and the California Public Utilities Commission each designate an ex-officio member.

The board reviews fund expenditures and conducts independent audits of the Job Creation Fund and selected projects. An accounting of annual expenditures from the Job Creation Fund is then published and an annual program evaluation is submitted to the Legislature.

There have been five board meetings since September 2015. One open position exists, to be appointed by the Controller.

Appointed on October 18, 2013, by former State Treasurer Bill Lockyer:

- **Kate Gordon**, Vice-Chair, Climate and Sustainable Urbanization, The Paulson Institute



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- **James “Walkie” Ray**, *Engineer and Partner, Sanderson J. Ray Development*
- **Steven Sakurai**, *CFO, Yocha Dehe Wintun Nation, and adjunct professor, California State University, Sacramento*

Appointed on January 16, 2014, by former State Controller John Chiang:

- **Gary Kremen**, *Clean technology engineer, entrepreneur, and inventor*

Appointed on February 5, 2016, by State Controller Betty T. Yee:

- **David Dias**, *Business Representative for Sheet Metal Workers’ Local Union No. 104*

Appointed on October 29, 2014, by Attorney General Kamala D. Harris:

- **Arno Harris**, *Former CEO, Recurrent Energy*
- **Chelina Odbert**, *Co-founder and Executive Director, Kounkuey Design Initiative*
- **Randall Martinez**, *Executive Vice President and COO, Cordoba Corporation*

### Ex Officio Members:

- **Robert Weisenmiller**, *Chair, California Energy Commission*
- **Michael Picker**, *President, California Public Utilities Commission*

### Citizens Oversight Board Report to the Legislature

In March 2016, the Citizens Oversight Board provided the first annual *Proposition 39 Clean Energy Jobs Act Report to the Legislature*. This report provided the Legislature and the public an overview of all program components, progress to date, and conclusions and recommendations. Two report recommendations were within the authority of the Energy Commission and focused on the Proposition 39 K-12 program rules such as the cost effectiveness criteria and the size restrictions of solar power systems. The Energy Commission promptly responded by reviewing and proposing necessary changes to program *Guidelines* and on July 13, 2016, rules were changed with the approval of the revised 2016 *Guidelines*. The report includes highlights from the four agencies that report to the board: the Energy Commission, California Community Colleges Chancellor’s Office, California Workforce Development Board, and the California Conservation Corps. The report can be found at: [http://www.energy.ca.gov/efficiency/proposition39/citizens\\_oversight\\_board/](http://www.energy.ca.gov/efficiency/proposition39/citizens_oversight_board/).



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### *Additional References:*

For information on the Proposition 39 K-12 Program:

<http://www.energy.ca.gov/efficiency/proposition39/index.html>

For questions on the Proposition 39 K-12 Program:

Proposition 39 K-12 Hotline: toll-free in California: (855) 380-8722; out-of-state: (916) 653-0392, or at [Prop39@energy.ca.gov](mailto:Prop39@energy.ca.gov)

For more information on funding disbursement: <http://www.climateinvestmentmap.ca.gov/>

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**Next update:** July 2017